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INFO RUEHTA/AMEMBASSY ASTANA 0309
RUEHBJ/AMEMBASSY BEIJING 6633
RUEHMO/AMEMBASSY MOSCOW 2889
RUEHUL/AMEMBASSY SEOUL 4093
RUEHKO/AMEMBASSY TOKYO 3721

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SUBJECT: Competition for MPRP Chairmanship Intensifies; Coalition at Stake

¶1. (SBU) SUMMARY: Various members of the Mongolian People's Revolutionary Party (MPRP) Steering Council are pushing to set a date for a party conference where a new leader would be chosen to succeed the ailing S. Bayar. Bayar's prolonged illness and ongoing treatment in Seattle has put party work on hold in the run up to the Spring session of Parliament. Nevertheless, he has made no political statement in recent days except to say that the coalition government with the Democratic Party must continue. Last week, MPRP Secretary General and contender to succeed Bayar, U. Khurelsukh, traveled to consult Bayar. Observers believe that even if a party conference does not oust Bayar from the chairmanship, it is likely to discontinue the increasingly unpopular coalition government. Reports state that the MPRP is likely to hold its conference on March 20. END SUMMARY

¶2. (SBU) Despite Bayar's grip on life in a Seattle hospital, the MPRP search for a new party leader has already begun. Current Prime Minister, S. Batbold, stands the best chance, as traditionally the two posts have been held by the same person. The current circumstances are exceptional; the resignation of the highly esteemed S. Bayar as Prime Minister for health reasons was a shock to the party membership, who out of respect acceded to his continued chairmanship. Now, with the passage of time they have begun to question the wisdom of that decision.

¶3. (SBU) S. Batbold himself is unlikely to challenge S. Bayar if the latter decides to carry on. Bayar handpicked him, and to challenge him directly would be regarded as an act of ingratitude. Rather, he has set up an ambitious agenda over the course of his first 100 days. He substituted one minister and promised several reforms relating to financial markets, deciding who should exploit the massive Tavan Tolgoi mine, and overhauling the higher education system.

¶4. (SBU) Despite this agenda that will require strong coordination within the MPRP, five are reportedly eager to usurp the party chairmanship. These include Vice Prime Minister M. Enkhbold, Minister for Internal Affairs Ts. Nyamdorj, ex-president N. Enkhbayar, Secretary General U. Khurelsukh, and MP U. Enkhtuvshin who chairs the Parliamentary Standing Committee on State Structure.

¶M. Enkhbold who was Mayor of Ulaanbaatar between 1999-2005 and then chaired the MPRP for 3 years, has little support within the party but retains loyal men in key positions. These include Speaker of the Parliament D. Demberel, Mayor of Ulaanbaatar G. Munkhbayar, Minister of Food, Agriculture and Light Industry T. Badamjunai, and Chairman of the Ulaanbaatar City legislature T.Bilegt. The former Prime Minister is undoubtedly able to finance a formidable campaign adequately given his ownership of a construction conglomerate.

¶5. (SBU) Khurelsukh has been increasingly visible in recent weeks. He is spearheading fundraising for the construction of a new party headquarters, as the old one was incinerated during the unrest of

July 1, 2008. This project has brought him new exposure as the Democratic Party is simultaneously building a new headquarters as well. Khurelsukh also launched a nationwide tour, promising to visit party officials across the 21 Aimags (provinces) to meet with the Party's grass roots membership and discuss internal politics. Known for his imperious style, his rise, some observers suggest, may presage something of a regression from the recent foray into inclusive and translucent politics.

¶6. (SBU) Former President and Prime Minister Enkhbayar remains silent about his intentions, but the TV station he owns has gone to great lengths to criticize the government. The popular channel has also recently publicized his efforts to supply struggling herders with fodder and his lecture in Alexandria, Egypt. According to some reports, Minister of Justice and Home Affairs Nyamdorj is evidently keen to throw his name in as well. One of the longest serving MPs, he has a strong regional constituency from the west.

¶7. (SBU) Finally, MP U. Enkhtuvshin is the most recent addition to the candidate pool. His chances are fair. He is the former Secretary General of the Party, and a leader of its Tradition-Reform-Democracy-Justice wing, aka the Sand 13. In his capacity as the head of the working group to investigate the matter, he is one of the few MPs to have accessed classified information regarding the state suppression of the July 1, 2008 unrest. Enkhtuvshin is thus one of but a few who know the truth regarding the roles of former president N. Enkhbayar and former Prime Minister ¶8. Bayar in the violent incident. There are concerns that he is being offered the job in exchange for withholding secrets regarding that fateful day.

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